

Japan business seminar

平成30年2月
February 2018

Anna Kalmi
Anna.kalmi@innomedica.fi

Topics

1. Introduction of participants
2. Basic information of Japan
3. Japanese business culture
4. Meetings with Japanese companies

Introduction of participants

- Your business sector - service/ products/ technology
- Your earlier experience to work with Japanese companies/organizations
- Your other Japan connections
- What do you like to learn about Japanese business culture?

Basic information of JAPAN

Map of Japan



- Honshu
 - Tokyo
 - Airports: Narita and Haneda
 - Nagoya
 - Airports: Chubu Centrair (Int), Nagoya (Domestic)
 - Osaka
 - Airports: Kansai (Int) and Osaka (Domestic)
- Shikoku
- Kyushu
 - Large city: Fukuoka
- Hokkaido
- Okinawa

Japan

- Population 126.7 million, Capital: Tokyo
- Typical financial year in corporations: April - March
- Currently Heisei 30th year in Japan = year 2018
- Change of the emperor in April 2019
- Public holidays in 2018:
 - January 1 (New Year, often companies are closed 3-7 days)
 - January 8, February 11-12, March 21, April 30, May 3-5, July 16, August 11, September 17, September 23-24, October 8, November 3, November 23, December 23-24
 - Try to avoid visiting: early January (New Year), early May (Golden week), mid August (Obon holiday season), after Dec 23
 - End of March - early April - for the change of the financial year

Food related information

- Unique ingredients: raw fish, fermented bean products, seaweed etc.
 - sushi and sashimi include raw fish
- There are many western and ethnic restaurants
- If you have any food allergy, please write a note in Japanese to show in restaurant - some food allergies are not well known in Japan
- Starbucks are very common in cities, also Japanese large cafe chains - Tully's, Doutor coffee etc.
- Convenience stores (SevenEleven, Familymart, Lawson etc.) sell snacks and meal products

Food manner in Japan

- Chopstick is HASHI or OHASHI in Japanese
- You can ask fork and knife by asking FOOKU TO NAIFU WA ARIMASUKA
- No tipping in restaurants - service fees will be added in restaurants in fine hotels
- Payment process in payment counters, not at tables
- Price information may be marked with kanji characters
- When you eat in group, the greeting word is "ITADAKIMASU" - meaning bon appetit
- When you finish "Gochisosama" or "Gochisosama deshita" - to thank for the meal

JAPANESE Language

Language

- 3 character sets
 - Hiragana (syllables) さかな - reading "sa ka na"
 - Katakana (syllables) サカナ - reading "sa ka na"
 - Kanji (originally from Chinese characters, symbols marks) 魚 - reading "sa ka na" - fish
- Katakana is used for foreign words and names
- Structure - word orders are different
- Pronunciation - Only 5 vowels: A, I, U, E, O
 - Difficulties to hear L and R, B and V
- Several politeness levels are used in Japanese language

Expressing Yes and No in Japan

- Yes (HAI はい) meaning
 - Approve, accept
 - I'm listening - this does not mean acceptance!
- How to say No (IEE いえ) without saying "NO"
 - It is difficult
 - It is quite impossible
 - I will check with colleague

Writing your name in Japanese

- Use Katakana
- Katakana is used for foreign originated words and names
 - Countries, cities, names, foreign products and food
- Example
 - Smith George スミス ジョージ
 - Palm Hanna パルム ハンナ
 - Silander Anne シランデル アンネ
 - Johansson Matias ヨハンソン マティアス

Practical and useful greeting sentences

- Hajimemashite - How do you do - *please bowe*
- Konnichiwa” - Good day, hello
- Ohayo gozaimasu - Good morning
- Konbanwa - Good evening
- Sayonara - Good buy
- Shitsurei shimasu - Good buy (telephone, meeting etc.)
- Doozo - please (when you pass something , when you say ”go ahead”)
- Arigatoo, arigatoo Gozaimazu - Thank you
- Yoroshiku Onegaishimasu - Thank you that you will take care of this - thank you for your effort in advance

Numbers in Japanese

- 1(ichi), 2(ni), 3 (san), 4 (yon/shi), 5(go), 6(roku), 7(nana/shichi), 8(hachi), 9(kyuu/ku), 10(juu), 100 (hyaku), 1000 (sen), 10 000 (man)
- Vertical (numbers in kanji) and horizontal writing style
- Calender - expressing year: Heisei 29 is 2017
- Year, Month, Day - order, 29/10/12 is 2017 October 12
- One million is 100 x 10 thousands (hyaku man)
- 100 000 000 is ichi oku.
- Calender, Months: 1-12 x gatsu:
 - January is 1 (ichi) gatsu, February 2(ni) gatsu, March 3(san) gatsu...

Q&A

BUSINESS in Japan

Greeting

How to greet in business meetings in Japan

- Bowe - also shaking hands with Europeans/Americans
 - 45 degree bowe is polite, but 30 degree is ok
 - You need to bowe if the counterpart bowes to you
- Use business cards in business situations
- Last names are used commonly, not first names
- Typically called with the last name and san. San - is the polite way to call. (San is similar to Mr./Ms./Mrs.)
 - E.g. Mr. Smith or Smith-SAN.
- Email - Also use last name Smith-san or Mr./Ms. Smith.
- Customer service situation, san is replaced by "sama", "sama" is more polite than "san".

Business cards

- Print enough cards - high quality prints
 - Number of participants at meetings could be large
- Japanese translation appreciated (2-side cards)
- Business card case recommended, don't put into pockets
- How to pass is important - Politely, bow, both hands
- How to treat the received cards, with respect
 - Keep on the table during the meeting

Many people in Japan are without titles, -Japanese companies don't print specific positions/roles in business cards if they are e.g. specialists and not managers/leaders

Task: Exchanging business card

Stand-up

1 Hajimemashite. (*Bowing*)

はじめまして

2 Watashi wa **Last name First name** desu.

わたしは **Last name First name** です。

3 Doozo yoroshiku onegaishimasu. (*Bowing*)

どうぞよろしくおねがいします。

Business culture in Japan

Business Culture in Japan

- General working environment
 - Typical office hours: 9:00 - 17:30 (between 8:30-18:00)
- Formality
- Hierarchy
- Punctuality
- Risk management -your presentation should demonstrate how to manage risks!
- Decision making and negotiation process
 - Group decisions
- Harmony
 - Avoid conflicts, saving faces, not aggressive style

Japanese companies as business partner

- Trust-worthy, long term relationship
- Stability
- Value maximisation
- Effective integration
- Slow start, but fast progress when the decision is YES to progress!
- Cash rich
- Detailed approach
- Strong implementation

Quality, claims and customer service

- Safety - high priority in Japan
- Process and manuals - written documents
- Risk management
 - prepare plan "b" and "c" in advance for problem cases
- Handling claims - what they like to say
 - What is Japanese style to make claims
 - Low hurdle to give claims
- Responding to expectations
 - Check what is the standard of similar business in Japan - compare

Importance of meetings

- Building relationship, long term relationships
- Knowing each other before signing contract, being sure with the new business partners
- Group decisions is very typical in Japan, all team members need to accept the case.
 - Easier to convince if you show up in Japan to meet the Japanese team
- Group decisions mean a large group in Japan - many people may meet you in the Japanese offices
- Informal discussions - Japanese try to avoid to write negative issues in emails.

Seniority in Japanese companies

- Organization chart is important
- No titles before leader/manager positions, only the name of department is printed in business cards
- Working years - promotion - no fast tracks
- Traditional companies - mainly internal promotions
- Follow dressing code culture
- Follow decision making process
- Large email cc -list, do not change without checking

Seating orders - based on seniority

- Meeting rooms
 - Seating orders - the best seat, the 2nd best seat etc.
 - Depends of the rooms
 - Parameters: distance of the door, the view/windows etc.
 - The nearist seat from the door is the lowest ranked seat
- Dining
- Taxi
 - the best seat, the 2nd best seat etc.
- Elevetor etc.
- Other places

Dress code for business meetings in Japan

- Safe traditional business dressing code works in Japan
- Winter dress code - gray, navy, black - safe suit colors
 - Avoid vivid colors in large items, for male persons
- Summer dress code "cool biz" - no jacket, no tie required in hot days
 - E.g. white shirt / light blue shirt / light color shirt
 - No jeans, no shorts, no t-shirts (cool biz is not too casual/sports wear)
- Conservative industries - e.g. pharma, finance may require more classic business dress code, creative business may allow more colors

Your first meeting in Japan 1

- Purpose of the first meeting in Japan (vs. Europe/US)
 - Who attends - your delegation (seniority level needs to match)
 - Typical agenda, meeting flow
 - General introduction, building relationship
 - You may need the second meeting to proceed to business discussions
 - Next steps, issues to agree in end of the meetings
- Making a good impression
 - Arriving on time
 - Introduction
 - Business card exchange
 - Etiquette
 - Business dressing
 - Gifts

Your first meeting in Japan 2

- Presenting business impact of your company
 - How to present - what type of data to show
 - How is your message likely to be understood
 - Humble and "working hard" - style, how to give good impression about your efforts
 - Service attitude - group effort, team spirit
- Reading mind of your Japanese counterparts
 - How to get feedback
 - Realistic expectation
 - What type of messages you get from Japan?
- Follow-up planning

How to prepare meetings in Japan

- Prepare printed material, easier to follow the English discussion with printed material
- Simple presentation, not complicated English
- Prepare to speak slowly, practise to speak simply.
- Not too long presentation - 20-30 pages powerpoint
- Company presentation need include basic corporate information
 - E.g. Organisation chart is important - company credibility and stability are very key facts for Japanese to check before starting to process business discussion

Company introduction

Required contents:

”Show brand, development and stability”

- Company profile
- Ownership information
- Organisation chart, management
- History
- Business description, product information
 - Products/technology: IPR situation, patents
 - Inform clear ownership of patents
- Market information

Business material for Japan

- Importance of printed material
- High quality material
- Translation is important - use professional translators
- Different length of the text! Layout and using space is different in Japanese
- Text can be written in both vertical and horizontal directions!
- Colors, styles, culture - different taste!
- Expression - humbleness is more accepted: you can say "working hard", not "we are excellent"

How to sell to Japanese customers?

- Recommendations and references are very important!
- Brand
- Use well-known users
- High quality
- Right pricing - for consumer products: remember that VAT level is low in Japan! Also possibility for large volume sales
- Not aggressive style
 - No pressures for decision timelines

Business dining in Japan

- Dress code - business dress code - also after office hours
- Arriving on time
- Seating order - seniority based
- Eating manner - follow the Japanese guests
 - If you cannot eat some ingredients, please inform in advance
 - Food may come in different order in Japan (Rice and soup in the end of course, in case of Japanese style meal courses)

Follow-up of meetings

- Email is well-used, often copied to many persons
- Send presentation file attached
- Telephone conferences are often not successful - difficult to understand each other.
 - It is not easy to know if the Japanese group understood all, especially you cannot see their faces. They may say yes to many questions with meaning of "I'm listening". Skype could be easier
- Some companies do not allow skype for security reasons, also video conference systems are often complicated for their security system.

Email communications, follow-up

- Last name -san, or Dear Mr. Xxx. - to start
- Include all persons, do not drop any names from the Japanese parties, the cc-list can be very long
- Simple English
- Meeting memo - a good idea, to confirm spoken contents. - polite way to confirm mutual understanding without saying "did you understand all issues?"
- Japanese try to avoid to write negative issues in emails. Closed door-situations allows sensitive discussions, so face-to-face meetings are needed some times to process the discussion forward.

Negotiation in Japan

- Decision making process in group
- Data/product information is very important
- Everyone must “accept” the case to proceed, recommendation process
- Smooth communication should be ensured, regular face-to-face meetings are very important!
- Remember seating order system in the meeting rooms
- In meetings - usually companies offer green tea or coffee in meetings, no food catered in meeting rooms.

Contracts with Japanese companies

- Typically in English
- Governing law of the third country, e.g. Switzerland, UK
- Terms needs to be discussed well, understand what points are important for Japanese (remember group decision culture)
- Risk management thinking, how to assure this point?
- Milestones for tasks, obligations and payments
- Think long-term relationship - how to ensure mutual efforts and e.g. sales objective level?
- Need to think how to exit/terminate agreement if everything does not go well

Japanese visitors in Europe - before meetings

- Agenda
- Presentation
 - Tailor-made in English
 - Print
- Travel arrangements
 - Offer to recommend hotels
 - Logistic related information
 - Offer to pick-up, if possible/required for the office location
- Pre-meeting messages
- Lunch/dinner invitations?
- Prepare the team - prepare the office for the day

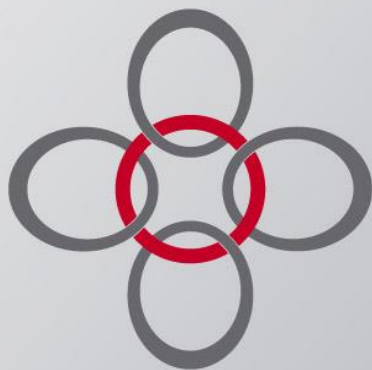
Discussion

- How to handle challenging situations in Japan?
 1. Different expectations for the agreement terms
 2. Difficult to say no
 3. Problem with the product/technology
 4. Slow communication and progress of the negotiation
 5. Group decisions - how to support and progress

Q&A

ありがとうございました。
Thank you!

Anna Kalmi
Anna.kalmi@innomedica.fi



INNOMEDICA

Your Partner in Life Sciences

